

KPI (key performance indicator) based on the Aeon Sustainability Principle

History of Aeon's CSR Activities Serving the Local Community through Commerce

Aeon's predecessor company, JUSCO, Inc., came into being in 1970, as the result of a merger between three companies – Okadaya, Inc., Futagi, Inc., and Shiro, Inc. JUSCO expanded business with the mission statement at the time of 'support the community through commerce.' In the 40 years since then, sales have increased from 500 million yen to 6 trillion yen. The number of stores has expanded from 70 to 16,375 and the number of employees has increased from 4000 to 420,000.

In view of such continued growth, the JUSCO Company Welfare Fund (the present Aeon Welfare Fund) was established in 1977, demonstrating the company's contribution to society as a corporate citizen.

Against this background, in the second half of the 1980s Aeon built a system to promote CSR activities in earnest. In 1989 the Aeon Group 1% Club (the present Aeon 1% Club Foundation) was established and in 1990 the JUSCO Earth-Friendly Committee was formed, along with the Aeon Group Environment Foundation (the present Aeon Environment Foundation).

In 1991, a variety of activities were begun that are linked to present day CSR activities - the 'Aeon Hometown Forests Program,' the experimental 'Bring Your Own Shopping Bag' and the 'Collecting Recyclable Resources at Stores' campaigns.

CSR Activity Principles Based on the United Nations Global Compact

With a view to reinforcing its global perspective on CSR, Aeon in 2004 became Japan's first retailer to sign the United Nations Global Compact. Based on the 10 principles outlined in the United Nations Global Compact, Aeon formulated its "Aeon Supplier Code of Conduct" (CoC) (P. 56), and acquired SA8000 certification (P. 58), an international standard related to human rights and labor conditions.

Since 2008, Aeon has participated in the Supply Chain Sub-committee of the Global Compact Japan Network in order to promote CSR together with our supply chain partners. Dialog with member companies is ongoing.



Basic CSR Activity Principles and Key Issues '4 Key Issues' for Sustainable Management

With the launch in November 2010 of the ISO26000, an international CSR guideline, the idea spread that 'all kinds of organizations must promote measures in support of a sustainable society.' In the past few years, Aeon's business activities have

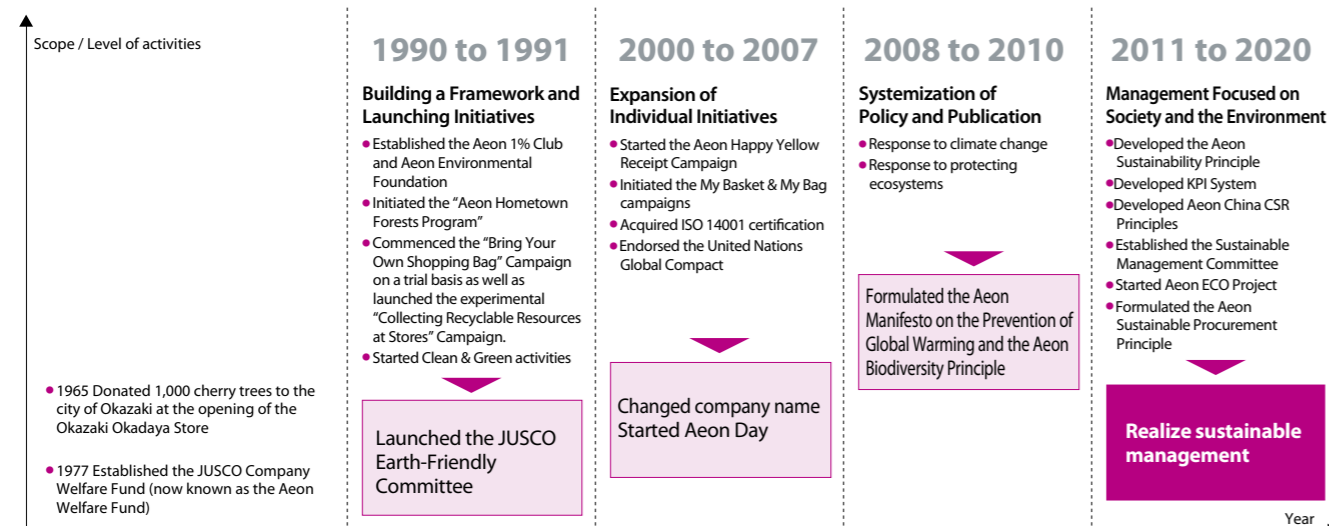
become substantially more globalized and as the number of stakeholders has increased, Aeon's influence on society and impact on the environment has also increased dramatically.

In March of 2011, Aeon formulated its 'Aeon Sustainability Principle' to promote CSR activities throughout the Aeon Group of companies, and publicly announced its intention to achieve sustainable management through balancing 'Aeon Group growth' and 'societal development.' In order to make steady progress in achieving sustainable management, Aeon decided

to address 4 key issues, each having its KPI (Key Performance Indicator) quantitative indicators to assess achievement. The 4 issues are: 1) realization of a low-carbon society; 2) conservation of biodiversity; 3) better use of resources; and 4) addressing social issues. Aeon will be verifying objectives based on social tendencies and on stakeholder feedback, and will annually report on the KPI of the objectives through publications such as the 'Social and Environment Report.'

For fiscal year 2013 targets and results, please see page 23-26.

History of Environmental and Social Activities as well as Future Aspirations



Aeon's Sustainable Management

